

1401 Main Street, Suite 900



Phone: (803) 737-0800

jpittman@ors.sc.gov

Jenny R. Pittman
Counsel for ORS

March 14, 2019

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
 Chief Clerk & Administrator
 Public Service Commission of South Carolina
 101 Executive Center Drive, Suite 100
 Columbia, South Carolina 29210

Re: Annual Review of Base Rates for Fuel Costs for South Carolina Electric & Gas Company
Docket No. 2019-2-E

Dear Ms. Boyd:

The South Carolina Office of Regulatory Staff ("ORS") supports the Motion to Bifurcate Proceeding filed in this docket yesterday by the South Carolina Solar Business Alliance, Inc. ("SBA").

Removing the proposed updates to the avoided cost methodology related to the PR-1 and PR-2 tariffs as well as removing the proposed new issuance of variable integration charges ("VIC") on solar qualifying facilities and addressing these items in a separate proceeding provides the opportunity to review these more contentious issues outside of the short time frame allowed in the instant case.

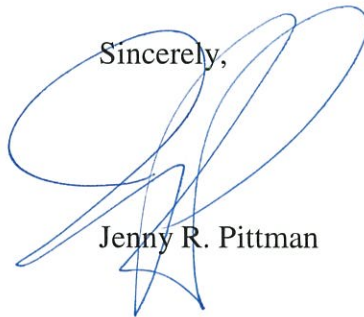
Further, bifurcation will promote efficiency and judicial economy, as well as comply with H. 3659, if passed¹. If passed, H. 3659 will require the Public Service Commission of South Carolina ("Commission") to convene an additional proceeding to address avoided cost later this year, making it impractical to address avoided cost in this docket. Not only would bifurcating the

¹ H. 3659 passed the House on February 22, 2019 and is expected to receive approval from the Senate. However, should this bill not become law South Carolina Electric & Gas Company will be able to address the updates to the avoided cost methodology and the issuance of VIC in Docket 2020-2-E.

proceeding be the most efficient use of the resources of the parties and the Commission, it would also save the ratepayers from the cost of relitigating these issues in multiple proceedings.

The value of Distributed Energy Resources ("DER") should continue to be reviewed and updated in the annual fuel proceeding, but in this docket should be based on the most recently approved avoided costs which were set in Order No. 2018-322(A) in Docket No. 2018-2-E.

Sincerely,

A handwritten signature in blue ink, appearing to be "Jenny R. Pittman", with a large, stylized loop at the end.

Jenny R. Pittman

cc: All Parties of Record (via Email)
Joseph Melchers, Esquire (via Email)